

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 2000-244

March 21, 2000

PUBLIC UTILITIES COMMISSION
Investigation of Exemptions
For Small Consumer Owned Utilities

NOTICE OF INVESTIGATION

I. SUMMARY

By way of this notice, we initiate an investigation, pursuant to 35-A M.R.S.A. § 1303 to determine from what sections of Title 35-A and of our rules small consumer-owned utilities should be exempted.

II. DISCUSSION

On August 10, 1998, the Commission initiated investigations of the stranded costs, transmission and distribution utility revenue requirements and rate design of Isle-Au-Haut Electric Power Company (IAH) and Matinicus Plantation Electric Company (Matinicus) as part of the Commission's implementation of the Electric Restructuring Act, 35-A M.R.S.A. § 3201-3217. During the course of the proceeding, IAH and Matinicus filed requests, pursuant to 35-A M.R.S.A. § 3504, that they be exempt from the requirements of the Restructuring Act, all other provisions of Title 35-A except §§ 3502 and 3503, and all Commission rules promulgated pursuant to Title 35-A. In a supplementary filing, IAH clarified that it was not in fact requesting a waiver of all of the provisions of Title 35-A and provided a list of the sections where waivers were sought.

Section 3504 of Title 35-A authorizes the Commission to exempt consumer-owned electric utilities with 150 customers or less from any of the requirements of Title 35-A except sections 3502 and 3503, and from any Commission rule. In orders dated July 29, 1999, we granted IAH's and Matinicus's requests that they be exempted from the provisions of the Restructuring Act but denied and dismissed without prejudice the request for blanket exemptions from Title 35-A. *Public Utilities Commission, Investigation of Stranded Costs, Transmission and Distribution Utility Revenue Requirements and Rate Design of Matinicus Plantation Electric Company*, Docket No. 98-602,¹ *Public Utilities Commission, Investigation of Stranded Costs, Transmission and Distribution Revenue Requirements and Rate Design of Isle-Au-Haut Electric Company*, Docket No. 98-599, *Isle-Au-Haut Electric Company*,

¹ Due to an oversight, Docket No. 98-713, *Matinicus Plantation Electric Company, Request for Exemption from the Requirements of 35-A M.R.S.A.*, was not closed at that time. For administrative convenience and to avoid possible confusion, as part of our order here, we will now close this docket.

Request for Exemption from Requirements Pursuant to Section 3504, Docket No. 98-671, Order (July 29, 1999), In doing so, we noted:

While we will not grant IAH's request for a blanket exemption at this time, we do believe that it would be constructive for representatives of each of the small consumer-owned electric utilities, the Public Advocate's Office and the Commission's Staff to meet and develop a list of statutory provisions and rules which small consumer-owned electric utilities should not be required to follow. Given the extremely heavy workload currently placed on our Staff to implement electric restructuring by March 1, 2000, we believe that such an effort could begin in mid-2000. In the meantime, if IAH believes that a particular provision of Title 35-A or our rules is particularly burdensome, we invite the utility to file a specific request for waiver prior to the commencement of this collaborative effort.

Id. at 3.

Following up on this commitment, we initiate this investigation, pursuant to 35-A M.R.S.A. § 1303, to determine from what particular sections of Title 35-A and of our rules small consumer-owned utilities should be exempted. Although this investigation is being instituted as a "formal investigation" pursuant to 35-A M.R.S.A. § 1303, we hope that this matter can be resolved in informal and collaborative fashion.

As the subject of this investigation IAH, Matinicus and Monhegan Plantation Power District (Monhegan Plantation)² will be parties to this proceeding. Interested persons who wish to intervene should file a petition to intervene in compliance with Section 721 of the Commission's Rules of Practice and Procedure no later than April 3, 2000. Objections to Petitions to Intervene should be filed by April 10, 2000.

Accordingly, we

O R D E R

1. That an investigation in accordance with this Notice be initiated;
2. That the Commission's investigation in Docket No. 98-713 be closed;

² By way of an order dated October 7, 1998, Monhegan Plantation was granted authority to serve Monhegan Plantation. *Monhegan Plantation Power District, Petition for Authority to Serve*, Docket No. 98-536, Order (October 7, 1998). Based on the information available to the Commission, Monhegan Plantation is a small consumer-owned utility within the meaning of 35-A M.R.S.A. § 3504.

3. That the Administrative Director serve copies of this Notice on all persons on the service lists in Docket Nos. 98-599 and 98-602 and on Monhegan Plantation Electric District; and

4. That a copy of this Notice be posted on the Commission's website.

Dated at Augusta, Maine, this 21st day of March, 2000.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: Welch
 Nugent
 Diamond